DRAFT 29 Oct. 1975

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MEMORANDUM FOR:

SUBJECT: Management and Control of Agency Supergrade Positions, Ceiling, and Personnel

- 1. The question of how the Agency should allocate and control its

 OMB-approved supergrade allowance (synonymous with supergrade ceiling)

 and the manner in which supergrade personnel should be managed has been
 the subject of much discussion, both formal and informal, over the past
 several years. Although a number of alternative recommendations, mechanisms,
 and processes have been proposed, there has been essentially no change in
 our procedures since December 1972 when the then Executive Director/
 Comptroller allocated the total Agency supergrade ceiling to the four directorates
 and the Office of the DCI and directed that the number of supergrade
 positions (as reflected on the official Position Control Register) be reduced
 to conform to the supergrade ceiling.
- 2. It is clear that there are conflicting views on a variety of questions relating to the overall supergrade issue. How should our supergrade cadre be managed? Should the Agency seek an increase in its OMB-approved supergrade allowance to accommodate new requirements (e.g., those emerging from implementation of the Rockefeller Commission recommendation)? Should

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we request that OMB recognize the existence of contract supergrade employees with an equivalent increase in our supergrade allowance? Should we continue to allocate our supergrade ceiling on a directorate basis? Should we allow a limited number of supergrade positions to be established in excess of the OMB supergrade ceiling? These are but a few of the more important questions that must be addressed in any current examination of the problem. It is equally clear that the supergrade issue is an Agency-wide problem that involves competing demands and perceived requirements for "authorized" supergrade positions which in the aggregate exceed the present supergrade ceiling/ and involve considerations which transcend individual directorate interests. This would suggest that the present approach to the problem, which does not lend itself to solution by any one directorate, should be reviewed and possibly abandoned in favor of a new approach involving centralized management and control at the Agency level.

- 3. Since most of the pros and cons of the issues relating to the super-grade problem are generally well known, little purpose would be served in treating them in detail here. However, several points bearing on the general problem should be emphasized.
 - a. The Agency has been under pressure from OMB for the past
 two years to justify retention of its current supergrade allowance.

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 The fact that Agency personnel levels have declined from in

 1969 to about at present (combined staff and contract personnel)

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 while our supergrade allowance has increased from (including 25X9)

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SPS positions) to (not including SPS positions--currently has not escaped OMB's notice. While we have repeatedly emphasized that we view our supergrade requirements as a function of level of responsibility rather than of organizational size as measured by numbers of personnel, OMB remains skeptical of the need for our present supergrade allowance (i.e., ceiling) of

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- b. Prior to FY 1975, the Agency ceiling established by OMB covered only staff personnel. Our supergrade allowance was not specifically associated with our staff ceiling, but we chose to treat it as such and did not include our contract supergrade employees within our supergrade ceiling. Beginning with FY 1975, OMB established both staff and contract ceilings. The fact that we had a number of contract supergrade personnel has never been specifically surfaced to OMB. Now that we have (beginning with FY 1976) a single ceiling encompassing both staff and contract personnel, it seems inevitable that we will have to treat contract supergrades (for accountability purposes) the same as staff supergrades.
- c. The HAC, during its review of the Agency's 1976 budget questioned the "very high grade structure with positions GS-16 and above."
- d. We have never used our full supergrade encumbency allowance. Even if we had in fact included our contract supergrade personnel, we would have been well within our supergrade ceiling until the most recent

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promotion exercise. Assuming all of the currently recommended supergrade promotions are approved, and including contract supergrades, supergrade personnel would total or only 5 above our encumbency 25X9 ceiling of Attrition, the exclusion of military supergrade equivalents, and conversion of contract supergrades to non-supergrade status should eliminate this apparent overage in short order.

- e. The atmosphere created by the House and Senate Select Committees, coupled with the attention of both OMB and the HAC to our current supergrade situation, not to mention the reduction in SEA supergrade requirements, suggest that a request to OMB for an increase at this time probably would not be viewed sympathetically.
- f. There are pending requests for supergrade positions (and the corresponding increase in supergrade ceiling authorization) from three of the four directorates and the Office of the DCI which cannot be satisfied within the current Agency supergrade ceiling of
- 4. Within the context of the foregoing and in order to provide a point of departure for considering changes in the present approach to handling the supergrade problem in the Agency, it is recommended that:
 - a. The Agency seek no increase at this time in its present super-
 - b. Contract supergrade employees be converted immediately to non-supergrade status with <u>no</u> change (i.e., loss) in rate of pay or, alternatively, converted when present contracts are extended or amended for other purposes.

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- c. The Office of Personnel review all positions presently classified as supergrades (and reflected on the official PCR) and validate only those which it determines to be properly classified as supergrades—others to be downgraded and supergrade encumbents, if any, be treated as PRA's.
- d. The Office of Personnel establish such additional positions it

 determines to be properly classified at the supergrade level even

 though the total number of supergrade positions resulting therefrom and

 reflected on the official PCR will exceed the present OMB supergrade

 allowance of (N. B. Since we are required to include in the Agency

 Budget a grade summary and since it would be inappropriate to reflect

 supergrade positions in excess of our OMB allowance, an adjustment of supergrade positions to our supergrade ceiling.)
- e. The present practice of allocating the Agency supergrade of allocating the Agency supergrade ceiling among the four directorates and the O/DCI be discontinued.
- f. The present practice of managing supergrades at the directorate and O/DCI) level be discontinued.
- g. With respect to accountability, all supergrade employees be counted against the Agency supergrade ceiling whether assigned to a non-supergrade position (i.e., to a GS position below the supergrade level on a PRA basis, or an SPS or EP position) or to a properly classified supergrade position.

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- h. No non-supergrade employee be counted against the Agency supergrade ceiling (i.e., flag-rank military officers, although assigned to a supergrade position would not be considered as supergrade employees for accountability purposes).
- i. The <u>de facto</u> existence of a CIA Supergrade Career Service be 1141, 951966 recognized, consisting of all Agency supergrade employees.
- j. The career management of the members of the supergrade career service be handled at the Agency level. Implicit in this action would be Agency-level monitoring and control of the supergrade ceiling.
- k. The four Deputy Directors and the DDCI (as Chairman) be constituted as the Agency Supergrade Board with responsibility for Agency-wide career management of supergrade employees and control of the Agency supergrade ceiling—all actions of the Board to be in the form of specific recommendations to the DCI as "Head of the CIA Supergrade Career Service."
- 1. An Agency Supergrade Panel be established consisting of an Office Head level representative from each of the directorates and the O/DCI. The Panel would be responsive to the Board and would provide necessary staff support to the Board in considering supergrade actions of any kind.

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FROM: NAME, ADDRESS AND PHONE NO.

John D. Iams, Comptroller 2 9 007 1975
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